

**COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

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**Cambridge Electric Light Company, and )**  
**Commonwealth Electric Company )**  
**d/b/a NSTAR )**  
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**D.T.E. 04-60**

**ATTORNEY GENERAL'S THIRD SET OF  
DOCUMENT AND INFORMATION REQUESTS TO CAMBRIDGE ELECTRIC  
LIGHT COMPANY**

- AG-3-1      Please provide copies of all communications between the Companies (including all NStar employees and outside service providers) and the Department regarding the mitigation, sale, buydown or buyout of the Companies PPAs. If communication was only verbal, provide a summary of the discussions. Include dates and names of parties involved in the communications.
- AG-3-2      How did NSTAR select CEA to manage and administer the PPA auction? Please provide all related RFP materials, the RFP distribution list and all response evaluation materials, including bid revisions. If CEA was not selected as the result of a competitive bid, please explain why.
- AG-3-3      Please provide the names of CEA's board of directors for the years 1999-present.
- AG-3-4      What was the cost for outside services related to the 1999 auction? Provide the details by vendor by task. How were these costs recovered from customers (through which rate elements and over what specific period of time)? Provide a copy of the Department's order authorizing recovery of these costs.
- AG-3-5      Refer to Exhibit NSTAR-RBH-6 and NSTAR-GOL-2 (and supporting exhibits). Please recompute the NPV Savings assuming the Pittsfield plant produced electricity based on an average capacity factor of 90%. Provide all supporting calculations in the form of working electronic spreadsheet models. Provide all supporting documentation and assumptions.
- AG-3-6      Refer to Exhibit NSTAR-RBH-6 and NSTAR-GOL-2 (and supporting exhibits). Please recompute the NPV Savings assuming the Pittsfield plant produced electricity based on an average capacity factor equal to the average plant experience from the in service date through 1997. Provide all supporting

calculations in the form of working electronic spreadsheet models. Provide all supporting documentation and assumptions.

- AG-3-7 Refer to Exhibit NSTAR-RBH-6 and NSTAR-GOL-2 (and supporting exhibits). Please recompute the NPV Savings using a discount rate of 11%. Provide all supporting calculations in the form of working electronic spreadsheet models.
- AG-3-8 Please provide a copies of all Department orders approving the RFP which resulted in the Companies' original contract with Pittsfield, approving the original contract with Pittsfield and each contract amendment. Include any related orders on appeal by the Department and/or the courts.
- AG-3-9 Refer to the Companies' response to AG-1-3. Please provide the invoices for the outside legal services and all supporting documentation.
- AG-3-10 Refer to the Companies' response to AG-1-3, CEA invoice for April, 2004. Please provide a copy of the "New Energy 2004 NEPOOL Forecast." Please explain how this study was used in the RFP process. Provide any updates, corrections or revisions to the forecast.
- AG-3-11 Refer to the Companies' response to AG-1-3, Attachment AG-1-3(b), the CEA contract, Section 4, pages 1-2. According to this section CEA was to analyze a variety of expected values and risks. Please explain how CEA accomplished this task and provide the results of these analyses/assessments. Explain why and how the analysis that was relied on by Mr. Lubbock and Mr. Hevert in their testimony was selected. This response should include the analyses (in the form of working spreadsheet models) referred to in the response to DTE-1-33.
- AG-3-12 Please provide the monthly FTR/ARR revenues related to the Pittsfield contract received by each of the Companies. How (through which rate elements) and when (over what time period) have these revenues been flowed through to customers? What is the estimated annual FTR/ARR revenue level for the years 2004-2011? Please provide all documentation, calculations and assumptions supporting the estimates.
- AG-3-13 Refer to the Companies' response to DTE-1-22. Please explain in detail, citing specific contract terms, how the "post-2008" avoided cost or market pricing is to be determined. Is this pricing energy only and therefore would not include capacity costs? If yes, isn't it possible that the Companies could use their entitlement to offset capacity and reserve requirements imposed on LSEs by the ISO? Provide all documentation supporting the response.
- AG-3-14 If there were no state tax "issues" recalculate the NPV of the buyout for each Company. Provide all supporting calculations, workpapers and assumptions. Explain why customers should accommodate the Companies tax timing issues.

Cite to specific Department precedent regarding this issue.

- AG-3-15 Refer to the second contract amendment of the contract dated November 21, 1996. Please explain why this amendment was entered into. Under what conditions did the Companies anticipate entering into the “Short-term Power Purchases” detailed in section 6.4.
- AG-3-16 Please provide a listing that shows the history (names and dates) of the ownership of the Pittsfield plant from the in-service date through the present. Indicate whether the current owner is solvent. If the ownership history is different from the operator history; please provide the history of the operators.
- AG-3-17 Please provide copies of all communications (written, electronic or verbal) between the Companies (or CEA or other Company representatives) and Altresco (and/or its representatives) during the 2003 RFP process.
- AG-3-18 Refer to the Companies’ responses to AG-1-1 and AG-1-10. The attachments to AG-1-1 indicate that no resolution of certain disputes had been reached as of February 13, 2004 and that the parties had agreed to meet to discuss the issues. Please explain whether further discussions took place and if so, provide copies of all notes, memoranda or other documentation of the meetings or later communications. Please provide any and all support, including written expert opinions, for the Companies’ decision not to pursue any of their contract dispute positions through mediation, arbitration or through the courts prior to negotiating the buyout.

Date; July 27, 2004